



Report on the Assessment of the 2013 Business Inspection Processes in the Cities of Batangas, Iloilo and Cagayan de Oro

Investment Enabling Environment (INVEST) Project

Submitted to:

Mr. John Avila, Contracting Officer's Representative
Office of Economic Development and Governance
U.S. Agency for International Development/Philippines
Office of Economic Development and Governance
under Contract No. AID-492-C-11-00005
(Output No. 3.3, Deliverable 3, Program Area 1.1, Component 1)

January 8, 2015

By Orient Integrated Development Consultants, Inc. (OIDCI)
FSS Building, 89 Scout Castor Street, Quezon City, Philippines
Tel No. 374.0757; Fax. No. 413.2326

TABLE OF CONTENTS

	List of Acronyms	iv
I.	Introduction	1
II.	Scope and Framework of the Study	2
	A. Scope	2
	B. Framework for Assessment	3
	C. Methodology	5
	D. Sample Selection.....	5
III.	Batangas City	7
IV.	Iloilo City	13
V.	Cagayan de Oro	18

List of Tables

Table 1. Assessment of the Batangas City's Inspection System by Office, 2013	12
Table 2. Assessment of the Iloilo City's Inspection System by Office, 2013...	16
Table 3. Inspection Process Assessment of Effectiveness Assessed Against Guidelines	21

Annexes

Annex 1. Iloilo City Action Plans on Inspection Reforms Action Plan, March 2013	24
Annex 2. Revised Inspection Action Plan – Iloilo City, September 2013	28

LIST OF ACRONYMS

BFP	Bureau of Fire Protection
BOSS	Business One-Stop-Shop
BPLO	Business Permit and Licensing Office
BPLS	Business Permit and Licensing System
CEC	City Environment Certificate
CENRO	City Environment and Natural Resources Office
CEPO	City Environmental Permit to Operate
CHO	City Health Office
CPDO	City Planning and Development Office
CTO	City Treasurer's Office
DTI	Department of Trade and Industry
FSIC	Fire Safety Inspection Certificate
ID	Identification Card
INVEST	Investment Enabling Environment Project
IO	Inspection Order
IRR	Implementing Rules and Regulations
JIT	Joint Inspection Team
JMC	Joint Memorandum Circular
LGC	Local Government Code of 1991
LGU	Local Government Unit
LINC-EG	Local Implementation of National Competitiveness for Economic Growth Project
NGA	National Government Agencies
TOP	Tax Order Payment
USAID	United States Agency for International Development

I. INTRODUCTION

The Investment Enabling Environment (INVEST) Project of the United States Agency for International Development (USAID) aims to assist the Philippine government improve the country's enabling environment for investment. To achieve this, the Project provided technical assistance to three cities to lower the transaction costs involving local level regulations and processes in business permit and licensing systems (BPLS) and to improve the capacity of selected local government officials in planning and promoting investment.

The INVEST Project is currently assisting three (3) cities, namely, Batangas, Cagayan de Oro (CDO) and Iloilo, in promoting a conducive business climate that would attract needed investment into these cities. Project interventions focused on the streamlining and automation of the cities' business registration and licensing procedures (new and renewal), including the pre-requirements of national government agencies (NGAs), as well as improving their business inspection system. These initiatives are expected to enable the cities to comply with, and even exceed, the national BPLS standards¹ and the best practices in business processing in Southeast Asian countries.

Earlier, the INVEST Project conducted a study on the “reformed” business registration processes in its partner cities. The assessment covered three (3) processes: (a) the processing of applications for the renewal of permits to operate businesses; (b) operations of the Business One-Stop Shops (BOSS); and (3) the processing of new applications for permits to operate businesses.

The fourth process - inspection of business establishments in relation to either the renewal of permits to operate businesses or the application for new permits to operate businesses – is the subject of the current assessment. Inspection is an integral part of the business permitting process. It is usually undertaken to ensure that a business has complied with regulatory requirements emanating from various laws that serve to protect public interest and welfare. However, the conduct of inspections by LGUs has added to the complexity of the business permitting process in the Philippines, in terms of procedures that require time to complete. The objective of the study is to track the detailed procedures/steps, the processing time and the documentary requirements in the conduct of business inspections before or after a permit (new or renewal) is issued to the applicant.

This report documents the inspection procedures observed in the partner cities of INVEST, and is being submitted in compliance with output 3.3, deliverable 3 under program area 1.1 of component 1. The Project subcontracted the documentation to the academic groups in the city - Batangas State University for Batangas City, University of the Philippines Visayas, College of Management for Iloilo City and Capitol University for Cagayan de Oro City.

¹ The standards in the DTI-DILG Joint Memorandum Circular (JMC) No. 01 of 2010 issued by the Departments of Trade and Industry and of the Interior and Local Government include: (1) a maximum of 10 days to register a new business and a maximum of 5 days to renew; (2) a maximum of 5 signatories; (3) a maximum of 5 steps to register businesses; and (4) the use of a single and unified application form for new registration and renewals.

II. SCOPE AND FRAMEWORK OF THE STUDY

A. Scope

Sec. 16 of the Local Government Code (LGC) of 1991 states that inspections are conducted primarily to verify and ensure compliance with rules and regulations adopted to promote and safeguard public welfare, including health, safety, and the enhancement of the right of the people to a balanced ecology. Any effort to simplify the business registration process should thereafter take into account the purpose and goals of inspections without summarily foregoing them. A more rational method should be adopted for determining when inspections can be done away with and when they should be conducted despite the inconvenience to business permit applicants. Moreover, when an inspection is absolutely necessary to protect the public's welfare, the local government unit (LGU) should strive to make the inspection as reasonable and business-friendly as possible.

The study took into account two perspectives: the applicant and the city inspectors. *From the perspective of the applicant*, the assessment required the recording of waiting and queuing time, documentary requirements as well as other actions that the local governments and NGAs ask from the applicant before a permit is granted. *From the perspective of city inspectors*, the assessment was done from the time the city inspectors receive the application for business permit that is subject to inspection until the appropriate clearance/certificate is issued by the office/department concerned containing information on the compliance or non-compliance of the applicant with relevant regulations.

Inspections conducted in LGUs which are related to business registration are: (1) zoning inspections assigned to the City Planning and Development Office (CPDO) which is provided for in the LGC and are determined by local zoning ordinances; (2) fire inspections which are expressly required for the issuance of a business permit by the Fire Code of the Philippines of 2008; and (3) health and sanitary inspections which is based on Presidential Decree No. 856 or the Code on Sanitation of the Philippines and its Implementing Rules and Regulations. The Sanitation Code actually only requires a permit for a few types of businesses, not to all but most LGUs require a sanitary permit from all establishments. Additionally, some LGUs conduct other types of inspections as mandated by local regulations and that are required to be complied with during the business registration phase (e.g. environmental inspections). In addition, inspections conducted by the Business Permit and License Office (BPLO) and the City Treasurer's Office (CTO) were included in the assessment.

Excluded from the study are the inspections conducted in compliance with the requirements of the NGAs such as the Department of Education and of Labor and Employment as well as non-business registration related inspections i.e. building inspections for the issuance of the building and occupancy permits, as provided for in the National Building Code of the Philippines. The required annual inspections in the latter include electrical, plumbing, and mechanical inspections.

B. Framework for Assessment

The assessment covered two areas: (1) tracking the inspection processes conducted by the different city government departments (e.g. City Planning and Development Office (CPDO)); (2) the extent to which the process is “business-friendly” using established metrics; and (3) implementation of the city’s inspection action plans formulated in workshops organized by the Project.

1. Tracking of Inspection Processes.

In describing and analyzing the inspections processes in the three cities, the study used the framework of the USAID-LINC-EG study, *A Guidebook for Local Governments on the Conduct of Business Friendly Inspections* (henceforth, the Guidebook). The study categorized the business inspection processes of each city based on the following three models described.

- a. *Pre-Business Permit Inspections* – In this model, inspections are conducted prior to the issuance of a business permit. There are three variants of this model: (a) inspections as a pre-registration activity; (2) inspections conducted upon receipt of application for business permit; and (3) inspections conducted upon proof of payment.
- b. *Post-Business Permit Inspection* – In this model, LGUs grant a grace period for businesses to comply with inspection requirements after the issuance of the permit. There are two variants of this model: (a) issuance of a temporary permit after showing proof of payment, followed by the official permit once inspections have been complied with; and (b) issuance of the official permit that is subject to revocation should the business not comply with the inspections.
- c. *Hybrid* -- This model captures the practices of LGUs that require inspections depending on the risk that the business poses to the public and to the environment. Businesses classified as low risk are not required to undergo inspections as part of the business registration process. Inspections are required and may become more stringent as the perceived level of risk posed by the business establishment increases.

2. Assessing the Effectiveness of Business Inspections

The study assessed the effectiveness of business inspections using the guidelines indicated in the Guidebook:

- a. *Sufficiency of Statutory/Regulatory Basis* – presence of a legal basis for any inspection that is conducted such as a law or issuance adopted by the national government or its agencies within the scope of their respective authorities; and/or a local law or ordinance;
- b. *Prior Inspection Notice* – provision of advance information given to the registrant on the schedule of the inspection;
- c. *Proper Authorization* – provision for proper mandate or order to conduct the inspection;

- d. *Proper Identification* – presentation of authentic identification cards or the wearing of uniforms to clearly identify the inspector;
- e. *Client Representation during Inspection* – presence of the registrant or his/her representative during the conduct of the inspection;
- f. *Use of Inspection Checklist & its Prior Disclosure* – having a checklist showing the factors to be assessed during the conduct of the inspection and its prior disclosure to the registrant;
- g. *Duration of Inspection Time* – length of time from the start of the actual inspection to the time it is completed on site, excluding the writing of the report and the post inspection conference with the registrant;
- h. *Number of Inspectors* – total number of persons who conduct inspections;
- i. *Post Inspection Conference with Client* – presentation of the inspection findings to the registrant; and
- j. *Inspectors' Qualification* – education, training and background needed for a person to be qualified as an inspector.

Information gathered from observations of the sample of applicants and the data gathered from the key informant interviews and desk research were analyzed against the above factors, in order to identify gaps and issue recommendations.

3. Assessing the Implementation of the City Inspection Reform Action Plans

The INVEST project included the streamlining of the inspection system in its partner cities as one of the regulatory reforms that it will undertake to reduce the transaction cost of doing business. The approach adopted by INVEST was two-pronged. As an initial step, baseline data on inspection practices in the three partner cities was gathered from May to July 2012.² The results of the assessment were intended to serve as important bases for the reform agenda the cities would pursue in improving their inspections processes and for which INVEST support would be provided. Two workshops were subsequently conducted in each of the three cities, the first one from end-September to October 2012 aimed at (1) validating the third party assessment of the inspection systems in the cities; (2) reviewing and mapping the current end-to-end business permitting processes with the inspection; (3) training the city officials on how to set-up a business friendly inspection system; and (4) designing a streamlined end-to-end business permitting process with inspections. A second workshop was conducted in March and April 2013 in each of the cities to assess the effectiveness, efficiency, transparency, and fairness of the inspection systems as well as the reasonableness of inspection fees using the framework in the Guidebook. Based on the identified business inspection reforms in the first workshop, the city officials formulated city action plans with detailed activities and timeframes.

² A report entitled “Integrated Assessment Report on Business Registration-linked Inspections Processes: Cities of Batangas, Iloilo and Cagayan de Oro” was submitted to USAID on October 7, 2012.

This study conducted an assessment, *by observation*, on the extent of the implementation of city inspection reform action plans.

C. Methodology

The documentation of the business inspection process *for new and renewal of business registration* entailed the following tasks: process mapping and time and motion study.

1. Process mapping - documenting a process visually, usually as a flowchart

Process sampling was employed, i.e. applicants representing the most representative types of businesses were interviewed and their actions documented as they went through the process. All samples followed the core process or the basic process apart from any sector specific procedures. In this case, it was assumed that the process sampling need not require representativeness of the population.

Flowcharts indicating the step/action, person or office responsible for such action and the requirements were prepared to document the process.

2. Time and motion study – method of documenting and measuring the elements of a process (its simple tasks, the sequence of movements involved in performing the tasks, and the exact time for each movement).

Data were collected through direct process observation and measured using a time-and-motion study. The latter is a method of documenting and measuring the elements of a process -- its simple tasks, the sequence of movements involved in performing the tasks, and the exact time for each movement. In this particular research, applicants were observed as they went through the inspection process.

Data were recorded in a diagnostic template, called a process table, which contained the process elements and its definitions.

The study considered two perspectives: applicant and city inspectors. Documentation of inspection requirements and communication materials including collection of forms were done. The same procedure was followed in documenting the process from the perspective of the regulatory office and the city inspector/s.

D. Sample Selection

For the assessment of the reformed inspection system, the 6 samples were divided into two sets. The first set of sample ensured representation from basic sectors; hence a sample each was drawn from agriculture, industry and services or a total of 3 businesses applying for new business permit. The second set involved 1 sample each from agriculture, industry and services sectors or a total of 3 businesses applying for renewal or have been issued business permit but are subject to inspections. The samples were drawn randomly from the businesses applying for permits.

Several approaches were also used to identify the sample business applicants. For new applicants, the list of new businesses (together with the address and contact numbers) applying

for occupancy permit was secured from the Building Official. Using the list, the owner/manager was contacted to enlist his/her assistance and cooperation in tracking the process of securing a new business permit.

For existing businesses, the list of businesses with Mayor's permit that were subject to inspections was taken from the Business Permit and Licensing Office (BPLO). Then, the schedule of inspections was coordinated with the regulatory offices concerned.

III. BATANGAS CITY

There are usually four kinds of business permit-related inspections conducted by different departments of the Batangas City government. These are: (1) zoning inspection assigned to the CPDO which are determined by local zoning ordinances; (2) fire inspection which are required for the issuance of a business permit by the Fire Code of the Philippines; (3) health and sanitary inspections as required in the Sanitation Code; and (4) inspections related to the issuance of environment clearance as provided for in the city's environmental code. The processes followed in the above mentioned inspections are described below.

A. Assessment of Business Registration-Related Inspection Processes

1. Zoning Inspection

Batangas City has a zoning ordinance, which serves as the basis in regulating subdivision and housing development, industrial location, and the reclassification of agricultural land to residential, commercial, industrial, institutional, or other purposes/classifications. New businesses applying for business permits are required to secure a Zoning Clearance from the CPDO to ensure that proposed business is permitted in the area it plans to operate in.

Aside from the application form, there are two other documentary requirements that applicants have to secure: (1) proof of registration from any of the three - the Department of Trade and Industry (DTI) for Business Name Registration (for single proprietors, the Securities and Exchange Commission for partnerships and corporations and the Cooperative Development Authority for cooperatives; and (2) the building plan, and/or a sketch of the location of the business. Based on this information, the zoning officer or staff visually assesses classification of the proposed business establishment and verifies in the zoning map if it is within the allowed zoning classification. In case the location cannot be ascertained in the map, then on-site inspection shall be conducted.

The inspection team, usually composed of three members, use the submitted building plan and location sketch to accurately locate the proposed establishment within the zoning map of Batangas City. The inspectors ascertain the location and note the permissible use according to the zoning ordinance and assess if the proposed business is allowed in the area it intends to operate. If the requirements are met, the zoning clearance is issued to the applicant. In any case that the application is denied, the applicant can file a motion for reconsideration to the Zoning Board of Appeals.

The assessment process for the issuance of the zoning clearance took about 6 to 10 minutes for samples covered in the study. However, if it is deemed necessary for the CPDO personnel to conduct an on-site inspection, then the zoning clearance is issued the day after the application has been filed in the office. The CPDO of Batangas City conducts on-site inspection on a daily basis.

2. City Environment and Natural Resource Inspection

The City Environment Certificate (CEC) is a prerequisite to securing a new business permit as provided for in Section 122 of Article XVII of the Batangas City E-Code. The City ENRO is responsible for the issuance of two licenses: (1) the CEC to business firms applying for a business permit for the first time, and (2) the City Environmental Permit to Operate (CEPO) to establishments applying for building permits and business. Both issuances are subject to the review by the City Mayor.

The issuance of the CEC will only be issued after inspection and monitoring have been conducted (per Section 143 of Article XXI of the Batangas City E-Code). Likewise, the CEPO will only be issued after compliance with the conditions set-forth under the issued CEC and the requirements for the issuance of the Mayor's Permit-to-Operate, and upon payment to the City Treasurer of an annual fee. However, the CENRO has manpower and vehicle constraints to be used for the conduct of on-site visits/inspections. Because of this, the CENRO conducts inspection to businesses which it considers to fall under the high-risk category in accordance with Section 143 (Environmental Inspection and Monitoring Fees) of Article XXI of the Batangas City E-Code.

The CENRO conducts annual inspection of business establishments. For low-risk business enterprises, inspection is conducted after the issuance of the CEC, very similar to the post-business permit model presented earlier. The areas that are considered during inspection include: (1) the business/establishments' adherence to the city's waste management programs under the Batangas City's E-Code; (2) waste segregation done by firms in compliance with the zero waste management program of the city and the implementing rules and regulations (IRR) of the Ecological Solid Waste Management Act of 2000 (RA 9003); and (3) the use plastic and styrofoam as packaging materials for dry goods as mandated in the Batangas City E-Code, Section 84 (Regulation on the Use of Plastic and Styrofoam Materials for Packaging). The applying establishment is issued a CEPO if it complies with the standards and provision of the E-code.

The on-site inspection usually lasts for 15 - 20 minutes. The time required for the processing and issuance of the CEC is 2-3 days for establishments which are not classified as high risk industries/business establishments.

3. Fire Safety Inspection

The Fire Code and the Implementing Rules and Regulations of the Fire Code (henceforth referred to as Fire Code) provide a comprehensive but practical plan for the Bureau of Fire Protection (BFP) which gained control and management of the fees due it. The Fire Code provides the basic guidelines for the design, construction, and operation of a building, or a building space for whatever use.

Based on observation, the BFP seems to be following the pre-business permit inspection model, since the approved FSIC released as part of the process for securing an Occupancy Permit is used as basis for granting the FSIC for business permit purposes. The applicant who is applying for a Business Permit will only have to go to the Business One-Stop Shop (BOSS) where the BFP representative checks for full compliance with the BFP requirements and standards. If the registrant is found to have complied with all the requirements during inspection for Occupancy Clearance, then s/he only has to pay the fee in the BOSS, triggering the

issuance of the FSIC for business. The fire inspection will be done as part of the annual inspection of the BFP for all establishments.

For business renewals, the BFP followed the pre-business permit inspection model. Inspections are conducted by the BFP before the business renewal period every January during which a new FSIC is issued after payment of fire-code related fees. To fast-track the business permit processing, BFP assigns personnel in the BOSS who will act as a collecting officer. This initiative eradicated the need for the registrant/client to proceed to the BFP office which is 15 to 20 minutes travel from the City Hall.

Since the BFP inspectors cannot conduct on-site visits/inspections to all the business applicants, inspection is maybe considered “discretionary.” The BFP uses the following classification with corresponding team assignments for inspection:

Category A – Industrial (except Gas Station), Schools/Malls/Hospitals/Hotel and 3 or more storey building

Category B – Fabrication Shop/Gas Station/Dormitory/Lying in/Motels and 2 to 3 storey buildings or with more than 100 sq.m

Category C – Apartment/Boarding House/Canteen/Carindaria/Bakery/ and 1 to 2 storey building with 50 – 100 sq.m with fire safety requirement

Category D – Establishments with less than 50 sq.m with fire safety requirement and need not to be inspected

Category E – Establishments with no fire safety requirement and need not be inspected (Kiosk/Market/Small store outside Poblacion Area)

The office notified the client whose establishment will be conducted. The team had a mission order to show proper authorization to conduct inspection. The inspectors can be identified through their uniforms. The team of inspectors conducted the inspection in the presence of the owner or representative and then administered post inspection interviews after. The inspection took about 20-30 minutes. But a longer duration is usually necessary for large high-risk companies like hospitals and manufacturing industries.

4. Health and Sanitary Inspections

The Sanitary department of the CHO conducts inspections prior to and after the release of the business permit to ensure protection and promotion of public health. Prior to the issuance of a sanitary permit, the applying establishment is usually classified by type and nature of the business to determine the necessity for inspection. For businesses classified as belonging to the low sanitary/health risk category, inspections are done after the business permit is issued, which is normally a requisite for the sanitary permit renewal. For those under the high sanitary/health risks such as food establishments, it is mandatory to conduct on-site inspection prior to the issuance of the business permit.

The CHO gives priority to the food establishments. The office also ensures that employees of business establishments secure the necessary health certificates prior to the issuance of the business sanitary permit. Section 15 (Health Certificates) of the Sanitation Code requires that no person shall be employed in any food establishment without a Health Certificate issued by

the local health authority. This certificate shall be issued only after the required physical and medical examinations are performed and immunizations are administered at prescribed intervals. The CHO ensures that owners of the business establishment adhere to this mandate of the Sanitation Code.

Business establishments are subjected to annual inspection as a requirement for renewal of sanitary permit. For those classified under to low sanitary/health risk, inspection is conducted after the issuance of a sanitary permit. For establishments under the high sanitary/health risk classification, sanitary inspectors are stricter, conducting inspections before the issuance of the sanitary permit, even requiring employees of these business establishments to undergo physical and medical examination as requisite for the renewal of their health and sanitary permit.

The CHO does not issue a written notification prior to the conduct of inspection. The office, however, provides a mission order to the inspectors to show proper authorization to conduct inspection. The length of time required to complete the assessment/inspection varies and is reliant on the size of the business establishment and the number of employees.

B. Conformity of Inspections to Business-Friendly Criteria

In terms of the effectiveness of business inspections based on the Guidebook, the findings of the 2013 assessment was almost the same as that of the 2012 assessment with minor differences. Batangas City regulatory offices (CPDO, CHO and CENRO) and the BFP have complied largely with eight (8) out of the ten (10) guidelines (Table 1). Thus, these four offices:

- Had sufficient regulatory basis in conducting inspections;
- Exhibited proper authority through a formal authorization letter except for the CPDO that cited the provision of the zoning ordinance;
- Exhibited proper identification through their respective offices' Identification Cards (IDs) and uniforms;
- Used inspection checklists, except for CPDO. However, none of the offices disclosed such checklists prior to the inspections;
- Held post-inspection conferences with the registrant, except for CPDO;
- Exhibited the proposed minimum qualifications for their inspectors, except for the CHO which reported having inspectors with generic graduate degrees.
- Completed their inspections within a range of 10 to 30 minutes on average, except for the BFP that said the time depended on the size of the structure; and
- Allowed client representation, except for the CPDO.

In two (2) out of the ten (10) criteria in the Guidebook, there was wide variation in compliance by city inspection offices and the BFP. For the guideline on the issuance to the registrant of a prior inspection notice so that s/he can get the assistance of a knowledgeable person during the inspection, only the BFP was issuing a notice in writing for high-risk businesses. The three (3) city offices issued verbal notices, which may still suffice for the registrant to try to secure expert assistance.

For the guideline calling for a maximum of two (2) inspectors from the same group to conduct an inspection, only BFP was observed to be non-compliant with 3 inspectors while the CPDO, CHO and CENRO inspections were observed to have only one or 2 inspectors.

C. Implementation of the City Inspection Reform Action Plans

Batangas City formulated a strategic Inspection Reform Action Plan to further improve its inspection processes, to expedite the business permit processing. Subsequently, the City Mayor issued Executive Order (EO) No. 8 s. 2013 on 24 April 2013 ordering the full implementation of the business-friendly inspection action plan.

To operationalize the Joint Inspection Team (JIT), the City Mayor issued EO 30 s. 2013 on 30 September 2013 creating the *Disclosure and Revenue Inspection Team* (DRIT) composed of the BPLO, CENRO, the Office of the City Administrator, Office of the City Veterinary and Agricultural Services (OCVAS), Social Security System (SSS), and the BFP. The DRIT has the following functions: (1) verify information declared by the business operator; (2) identify unregistered businesses operating in the city; and (3) monitor changes and development in business activity in the locality. The DRIT was able to carry out its functions with the presence of all its members, utilizing its own unified checklist in the conduct of inspection. At times however, the CENRO inspector does not join the team especially during the conduct of inspection of small and low risk business establishments. In this case, other members of the team administered the inspection on CENRO's behalf guided with its checklist.

The City Government also plans to organize two more types of inspection teams. These are : (1) the *Compliance Inspection Team* to be composed of the City Engineering Office (CEO), CPDO, CENRO, OCVAS and; and (2) the *Safety Inspection Team* to be composed of the BFP, CEO, CHO and OCVAS.

Both inspection teams are not yet in place. This means that members of the team conduct business inspection on its own. There is no common schedule for the members of the team to perform the inspection activities; thus, they conduct inspections based on their own schedules.

Table 1.
Assessment of the Batangas City's Inspection System by Office, 2013

INDICATORS	CPDO	CHO	ENRO	BFP
Sufficiency of statutory/regulatory basis	Batangas City Comprehensive Land Use Plan	PD 856: Sanitation Code of the Philippines IRR and PD 522	RA 7160: Local Government Code; PD 1152: Philippine Environment Code; Batangas City E-Code; DENR Memo Circular 2007 – 2008; RA 9003: Ecological Solid Waste Management Act IRR	Philippine Fire Code 2008 (RA 9514); RA 6975: DILG Act of 1990
Prior Inspection Notice	Verbal Notice	Verbal Notice	Verbal Notice	Written Notice (for high risk)
Proper Authority	No Formal Authorization Letter (Authorization as per Zoning Ordinance)	Yes	YES (as per E-Code)	Yes
Proper Identification	Office ID and Uniform	Office ID and Uniform	Office ID and Uniform	Office ID and Uniform
Client Representation during Inspection	Not Always	Yes	Yes	Yes
Use of Inspection Checklist	No (building plans are the references)	Yes	Yes	Yes
Duration of Inspection Time	6-10 mins (average)	30 mins (average)	15-20 minutes	Depends on the size of the structure
Number of Inspectors (total)	2 during inspection (4)	2 during inspection (8)	1 during inspection (2)	3 during inspection (25)
Post Inspection Conference with Client	Not Always	Yes	Yes	Yes
Inspectors' Qualification	Engineering graduate with Field Experience	BS graduate with proper training	Graduate of any related course with field experience	Min. of 1 yr BFP and has completed Fire Arson Investigation & Inspection Course (FAIIC); with Fire Basic Recruitment Course (FBRC)

IV. ILOILO CITY

The Iloilo City government requires inspections for zoning and treasury clearance certificates to be conducted prior to the issuance of business permits, in addition to the BFP inspection for the grant of the FSIC. Sanitation-related inspection is usually done after the issuance of the business permit.

A. Assessment of Business Registration-Related Inspection Processes

The CPDO conducts inspections based on categorizations of risk. While inspections are part of the zoning clearance process, it is only conducted when the business address is not verified or cannot be located in the zoning map or when there is a community or barangay concern on the business permit being applied for. For the low-risk business permit applicants, a simple verification of the address against the zoning map is done.

The CTO, which requires all establishments to get a “no real property tax delinquency clearance certificate”, conducts inspections based on the size of the business. It does a presumptive capital check to validate the information in the application form but only for big business applicants. Most of the micro and small business applicants are no longer inspected.

The BFP conducts inspections on all applicants but is constrained by the lack of vehicles and personnel to be able to speed these up so that inspections can be conducted prior to the issuance of the business permit. The whole site inspection involves inspecting the location of fire detection and alarm devices, testing fire suppression facilities in the case of new and big establishment, writing the onsite inspection findings and having a copy of the inspection report received by the authorized representative of the establishment.

Iloilo City conducted a test run of the reforms for the inspection process. The reforms include the constitution of the joint inspection team (JIT) as mandated by the JMC series 1 of 2010 issued by the DTI and the DILG. The study team tracked the process for preselected and pre-informed applicants for new business permit.

The Joint Inspection Team (JIT), as contemplated in the reforms and contained in the draft Executive Order proposed to the Mayor, is composed of the following members or their designated representatives as allowed by law, ordinances, rules and regulations:

Team Coordinator/Leader:	Business Permits and Licensing Officer
Members	:
	: City Treasurer
	: City Health Officer
	: CPDC or designated Zoning Officer
	: City Environment and Natural Resources Officer
	: City Fire Marshall

During the test run, two inspection teams were constituted representing the six offices to conduct 5 simultaneous inspections. However, the City Health Officer sent only one representative; hence, one of the teams does not have a CHO representative to conduct

the health and sanitation inspection. The inspection was scheduled and done by districts. This team, with a lacking CHO member was accompanied and tracked by the study consultants for the applicants from the Molo/ Mandurriao districts. Complete tracking of 4 new business applicants out of the 6 assigned to the joint inspection team (JIT) was carried out.

From the perspective of the joint inspection team, the inspection process started when the applicant was informed verbally by the BPLO of the schedule for inspection after submission of the duly accomplished application form and documentary requirements. On the date scheduled by the JIT, the team proceeded to the applicant's business address and the whole team, headed by the BPLO representative, after being introduced to the applicant, proceeded to conduct the inspection. Each member conducted his own concerned inspection in relation to the regulatory or statutory provisions relevant to his/her office.

Among the inspection team members, only two had a checklist of requirements - the BFP and the CHO. All the rest claimed that there was need for a checklist since the objective of their inspection was more of a validation of the client's declarations in his application form. The CPDO, for instance, merely confirmed whether the actual location indicated in the application form is correct and whether the location is compliant with the approved City Zoning Ordinance. The CTO, on the other hand, checked whether the value of the equipment and renovation was properly declared by the applicant since this information is important for proper tax assessment and collection. In the process of inspection, the CTO was able to capture tax evaders whose businesses have long been operating without permit and therefore should be slapped penalties.

It was interesting to note that the inspection representative of CENRO was initially confused as to the role of his office in being part of the JIT, since in the past, CENRO conduct inspections only to investigate complaints. However, the CENRO head stressed the importance of being involved in the business permitting process to check the environmental and sanitation compliances of business establishments, e.g. presence of waste water facilities, smoke emissions, grease traps for restaurants and oil and water separator for gasoline stations. Perhaps, there is a need for the CENRO personnel/inspector to be re-oriented on the environmental and sanitation programs of the city in order for them to appreciate their office's role in the business permit and licensing inspection process.

After the physical inspection was done, the team members sat with the applicant to discuss their findings and to provide with advice on needed measures for compliance to statutory/regulatory requirements of the application. In cases of positive findings (i.e. non-compliance with requirements), a copy of the checklist with the findings is left with the applicant, who is given a prescriptive period to address the findings. If the applicant is unable to correct deficiencies within this period, either no permit will be granted to him or, if a 30-day temporary permit was given, this will be subject to revocation.

After the post-inspection discussion with the applicant, team, the joint inspection report, which was to be signed by each JIT member, was prepared, indicating whether the clearance was approved, approved with conditions or denied and containing the remarks of each member of the JIT. Then the report was presented to the applicant for his signature and a copy was left with him together with a copy of the checklists, indicating the areas with positive findings.

After the joint physical inspection, the BPLO forwarded the accomplished forms to the Zoning Office for issuance of the zoning clearance for applicants with no positive findings. The clearances were released by the BPLO to the applicants after they were informed through phone that the same were ready. The applicants were instructed to proceed to the CTO to secure their Tax Order Payment (TOP) and pay the corresponding fees.

After payment, the applicants were requested to secure their FSICs from the BFP. At the BFP, no re-inspection was conducted and the applicants were just required to present official receipts and pictures to prove that they have addressed any deficiency noted in the Joint Inspection Report and Clearances. Upon release of the FSIC, the applicants returned to the BPLO to secure their Business Permit, plate and sticker.

The applicants were then instructed to proceed to the CHO to present their Official Receipts and to secure their Sanitary Permit. Inquiry with the CHO as to the status of the sanitary permits of the four (4) applicants revealed that the released sanitary permits were logged manually in a thick logbook. The CHO staff had difficulty locating the names of the applicants. There is no indicator that the CHO required the applicants to be inspected.

B. Conformity of Inspections to Business-Friendly Criteria

Table 2 shows that the city inspection offices (BPLO, CPDO and CTO) and BFP complied with six (6) of the 10 criteria for business friendly inspection system prescribed in the Guidebook. Thus, these three offices:

- Had sufficient regulatory basis for conducting inspections;
- Exhibited proper identification through their respective offices' IDs and uniforms;
- Conducted post-inspection conferences with registrants;
- Had inspectors with the proposed minimum qualifications;
- Completed their inspections within a range of 10 minutes to one hour; and
- Allowed for client representation during inspections.

The city government departments need to improve their performance in the remaining four (4) criteria, where compliance was deficient. First, city offices did not show a formal authorization letter to the registrant. City officials explained that the basis of their inspection is the client's application form, which they brought with them during the inspection. The BFP, however, had a formal authorization letter.

Second, all offices issued only verbal notice to the registrant that inspection will be conducted so that s/he can get the assistance of a knowledgeable person during the inspection. The CTO's Inspection and Examination Division, for instance, said they called the applicant/registrant beforehand to confirm the inspection schedule.

Third, the offices would deploy three to nine inspectors from the same group to conduct an inspection, exceeding the recommended maximum of two staff per office in the Guidebook.

Fourth, city offices did not use inspection checklists. Instead, officials said they consider, as basis for assessments, the information provided by the applicant in the application form in addition to other pertinent documents and the locational map. The BFP used an inspection checklist, however, which they disclosed to the applicant upon submission of the inspection requirements.

Table 2.
Assessment of the Iloilo City's Inspection System by Office, 2013

INDICATORS	CPDO	CHO	CENRO	BFP	CTO
Sufficiency of statutory/regulatory basis	Zoning Ordinance No 2022-398, Series of 2012 of the City of Iloilo	Sanitation Code of the Philippines (PD856)	Reg. Ordinance No. 2004-149	Fire Safety and Protection requirements of the Fire Code of the Philippines with Implementing Rules and Regulations	Real Property Tax/ Local Tax Ordinance No. 2007-016
Prior Inspection Notice	Verbal Notice		Verbal Notice	Verbal Notice and Phone call	Verbal Notice
Proper Authority	The authorization to conduct the joint inspection was implicitly approved by the city mayor through the technical working group (CI-TWG) conducting the test run for the reforms.				
Proper Identification	Office ID and uniform		Office ID and uniform	Office ID and uniform	Office ID and uniform
Registrant Representation during Inspection	Yes		Yes	Yes	Yes
Use of Inspection Checklist & its Prior Disclosure	With Checklist		With Checklist	With Checklist	With Checklist
Duration of Inspection Time	Time varies depending on type & size of business*				
Number of Inspectors	1		1	1	1
Post Inspection Conference with Registrant	Yes		Yes	Yes	Yes
Inspectors' Qualification	Licensed Engineer		College Graduate	(FAIIC) Fire Arson Investigation & Inspection Course graduate	Accounting Graduate

C. Implementation of the City Inspection Reform Action Plans

There were two workshops conducted in Iloilo City to develop its Inspection Reform Action Plan. The first workshop was conducted in October 7 and 8, 2012 and the second workshop was conducted in March 14 and 15, 2013. It was only in the second workshop that the Iloilo City officials formulated the city action plan with detailed activities and timeframes (see Annex 1).

Because of the 2013 elections, it was very difficult for the city to implement the measures committed in the inspection action plan. Hence, the LEIPO and INVEST CPA crafted a new action plan right after the elections (July 29-31, 2013), which contained a package of streamlining, automation, and inspections reform interventions. A series of meetings with the BPLS Technical Working Group were conducted to finalize the plan (August 15, September 4-5, and September 11-13, 2013), which was eventually presented to the Mayor. Specifically for inspection, a draft executive order adopting the new inspection system and reconstituting the JIT was formulated and approved in principle by the Mayor on September 19, 2014. The draft EO with accompanying implementation guidelines contained the inspection reforms and actions (JIT, checklist, schedule, service quality standards) that the city intended to implement. A JIT was organized and conducted dry runs to pre-test the system, which was observed by the study team.

Iloilo City is catching up with the reforms to streamline its BPLS including the inspection processes. It was seen the assessment study that the delay in the processing of the business permits and licenses was caused mostly by the conduct of separate inspections by different departments. Hence, the city intends to establish a JIT to lessen significantly the number of steps and the time spent on inspection. The efficiency of the proposed reforms is yet to be seen as the actual implementation will take place after the signing of the Executive Order constituting the joint inspection team that is mandated by the JMC.

VIII. CAGAYAN DE ORO CITY

The Cagayan de Oro city government conducts five business permit-related inspections associated with 4 types of certificates/permits it issues. These are the health and sanitary inspections, environment-related inspections, tax-related inspections and zoning inspections. Similar to the other cities, the local BFP also inspects establishments in compliance with the provisions of the Fire Code of the Philippines. The inspection processes followed by these offices, which follows the post-business permit inspection model, are described below. This practice allows applicants to fulfill the requirements after the issuance of business permits but within a 3-month period.

A. Assessment of Business Registration-Related Inspection Processes

1. Health and Sanitary Inspections

The statutory and regulatory basis of the health and sanitary inspection of the city's CHO is anchored on the Sanitation Code of the Philippines and its IRR. The 1994 Codified Ordinance of the City of Cagayan de Oro also provides guidance in the local implementation of the Sanitation Code's IRR.

The CHO issues the Sanitary Permit and conducts inspections after registrants have been issued the business permit. It evaluates business registrants according to sanitation and health risks. For businesses which are classified in the high-risk category such as food establishments, health and sanitary inspections are conducted a month after the start of business operations. Non-food business establishments, on the other hand, undergo inspection three months after receiving their business permits.

As part of the initial step in the inspection process, the CHO prepares the mission and/or the sanitation order and assigns a health inspector to conduct the inspection for identified high-risk establishments. The registrant is then informed of the findings and recommendations and maybe provided a copy of the sanitary order immediately after the evaluation or even one to two days after.

2. Environment-related Inspections

Environment-related inspections conducted by the City Local Environment and Natural Resources Office (CLENRO) are usually conducted to address complaints. For this study, the contractors observed the inspection of a gravel and sand quarry, after residents of Sitio Taguanao lodged a complaint to the barangay council. The barangay, through a resolution, then requested the Office of the City Mayor to help solve and stop the quarry activity at Sitio Taguano riverside. The City Mayor's Office then forwarded the resolution to CLENRO and an inspection team was sent to the area.

With a routing slip attached to the complaint letter, the CLENRO verified the reported situation with the barangay hall and requested a sketch and directions of the mentioned area. In the area, the letter of complaint was presented to the quarry manager in the absence of the quarry owner. After an inspection tour of the area, inspectors informed

the overseer of their observations and proceeded back to the City Hall. The inspectors said that written reports will be forwarded to the complainants.

3. Tax-related Inspections

In the inspection conducted for tax purposes, a team leader and four of his staff from the CTO joined the activity. These authorities were identifiable by name tags, which are also official city hall identification cards. Upon arrival, the inspectors looked for the business permit on the wall of the establishment³. There were no formal introductions as the establishment is a new business and the owner has been expecting the inspection ever since the release of his business permit.

Inspection and tax mapping were simultaneous done as the team leader had a good number of his staff with him on the visit. The owner was interviewed to verify business information using a business tax mapping data sheet. This form detailed the owner's name, his company's trade name, company head, representative/manager, exact address, and approximate notable landmark. It also covered the nature of the business and business type (e.g. single proprietor) and employee size; daily, monthly, and annual sales; total floor area, building name and address, monthly rent, and contact numbers of land or property owner. Both the tax mapper and owner/respondents' names were reflected on the data sheet.

4. Zoning Inspections

The CPDO conducts inspections based on categorizations of risk. High-risk businesses are prioritized for inspections and are reportedly required to comply with business-specific requirements like an Environmental Compliance Certificate from the Department of the Environment and Natural Resources. Low-risk businesses are not strictly scrutinized and, in most cases, not inspected at all, especially if there is no mismatch between the zoning regulations and the type of business.

5. Fire Safety Inspections

The fire safety inspection starts with the issuance of Inspection Order (IO) by the District Fire Marshall upon recommendation of the Fire Safety Enforcement Section Chief. The IO contains the name of the establishment to be inspected, names of the two fire safety inspectors in-charge, the purpose of the inspection, the prescribed fire safety inspectors' uniform, issuance date, and other additional instructions. The date of inspection is not reflected in the order.

Inspection commenced right after the business owner or his representative received and signed the IO. However, owners were not informed ahead of the inspection schedule since the BFP does not serve advance inspection notice as part of their standard operating procedure relative to their fire safety inspections.

Fire safety inspections for the renewal of business permit happens anytime within the year depending on the risk assessment of the establishment by the local BFP and the

³ This is in accordance with Section 760 Ord. No. 8847-2003 re: Business License Necessary and Section 16 – Ord. No. 3057 s. 1992 (Tax receipts and papers relative to operation of business to be displayed conspicuously).

availability of fire inspectors. Inspection time varies depending on the kind of business and the establishment's physical location. The probability of an inspection is 49 % if the nature of the business does not involve combustibles. Otherwise, the probability of undergoing an inspection is high. Food-related businesses demand longer inspection time than the usual non-food businesses. Establishments engaged with combustion sources pose a higher fire risk and therefore require more thorough inspection to ensure safety.

The BFP prioritizes the establishments to be inspected given their expressed limitations in terms of personnel and mobility. Applications which are classified as high risk or critical businesses are given high priority for inspection while those which are considered low-risk businesses are inspected as part of the scheduled regular fire inspection per area.

B. Conformity of Inspections to Business-Friendly Criteria

Table 3 shows that the city inspection offices and BFP complied with seven (7) out of the 10 criteria for business-friendly inspections based on the Guidebook. Thus, these offices:

- Had sufficient regulatory basis in conducting inspections;
- Exhibited proper identification through their respective offices' IDs except the CHO inspectors who did not wear proper identification and in BFP, through IDs, badge and uniforms;
- Allowed client representation during inspections;
- Used inspection checklist but was not disclosed to the client prior to inspections;
- Completed the inspections within a range of 20 to 48 minutes on average;
- Held post-inspection conferences with the registrant except for the CHO;
- Exhibited the proposed minimum qualifications for their inspectors;

In the remaining (3) guidelines, compliance was deficient. City offices and the BFP did not issue prior notice and did not exhibit proper authority through a formal authorization letter except the CLENRO. There were 2 inspectors for CLENRO and BFP but exceed the maximum two inspectors in the case of CHO and CTO.

The Bureau of Fire Protection inspection process is relatively effective as far as the enumerated guidelines are concerned. Post inspection procedures were also found to be inconsistent. At times, the inspected establishment is presented an inspection report and at other times, not. The CHO and the CTO also missed its footing on several benchmarks but made up with satisfactory compliance to national and local laws.

Table 3.
Inspection Process Assessment of Effectiveness Assessed Against Guidelines

INDICATORS	CENRO	BFP	CHO	CTO
1. Sufficiency of statutory/regulatory basis	The complaint is covered by the requirement of the ECC as mandated by law.	Inspections are solely based on the Fire Code of the Philippines.	Procedures followed P.D. 856, P.D. 522, and the 1994 Codified Ordinance of the City of Cagayan de Oro	Procedures followed Section 143 (Tax and Business) of the Local Government Code (Republic Act 7160) Book II Local Taxation and Fiscal Matters, Title One – Local Government Taxation, Section 76 0 Ord. No. 8847-2003 – Business License Necessary Section 16 – Ord. No. 3057 s. 1992 – Tax receipts and papers relative to operation of business to be displayed conspicuously
2. Prior Inspection Notice	none	none	none	none
3. Proper Authority	The mandate of the Inspectors came from CLENRO-OIC with Routing Slip duly signed by the City Mayor.	The Inspection Order was at hand but not presented to the establishment prior to inspection.	none	none

INDICATORS	CENRO	BFP	CHO	CTO
4. Proper Identification	Inspectors have IDs which they did not wear on inspection.	Inspectors wore proper GOA uniforms and introduced themselves formally to the establishment owner/official representative.	Inspectors did not wear proper identification nor introduced themselves properly.	Inspectors have official uniforms but wearing is not compulsory. They only have office IDs for identification.
5. Registrant Representation during Inspection	A representative of the establishment was present during the conduct of inspection.	Two managers were present for Shakey's Pizza and an officer-in-charge was around for Coastal Lake Foods.	A poultry handler was present for the inspection.	The establishment owner was present during the inspection.
6. Use of Inspection Checklist & its Prior Disclosure	The Inspectors were guided by the written complaint of the Barangay Council.	An inspection checklist was used but not disclosed to the client prior to inspection.	Did not use an inspection checklist but a copy of a portion of the sanitation code on poultry farming	An inspection checklist was used but not disclosed to the client prior to inspection. Yes
7. Duration of Inspection Time	20 minutes	34.57minutes for Shakey's Pizza 70 minutes for Coastal Lake Food Industries	48.67 minutes	10 minutes
8. Number of Inspectors	Two	Two inspectors attended for the Shakey's inspection and one for Coastal Lake Food Industries.	Three	Six

INDICATORS	CENRO	BFP	CHO	CTO
9. Post Inspection Conference with Client	Inspectors and representative had a post inspection meeting	The inspectors only verbally addressed some lacking fire safety features with Shakey's without a written inspection report. With Coastal Lake, a copy of the inspection report was provided and important points on compliance were discussed one by one.	none	Inspectors and representative had a post inspection meeting
10. Inspector's Qualification	The inspectors' educational qualifications did not match their work loads but learned the assessment process from former Senior Inspectors whom they have worked with.	The inspectors were graduates of any course who were also trained in various safety seminars.	The inspectors were college graduates with relevant training.	The inspectors had no specific qualifications. On the job experience and knowledge of the tax code are most important.

Annex 1. Iloilo City Action Plans on Inspection Reforms Action Plan, March 2013

Agency	Proposed Reform/s	Steps/Activities	Time Frame	Responsible Person / Office	Resources Needed
CPDO – ZONING	1. Prescribing a Uniform Barangay Clearance	1. Draft of new format	End of March 2013	<ul style="list-style-type: none"> ▪ CPDO ▪ Punong Barangays ▪ ABC District Presidents 	<ul style="list-style-type: none"> • Printing of maps (scale 1:100m) • Supplies
		2. Subject new format to review as to substance and relevance of contents and applicability to proposed use			
		3. Approval of new format		<ul style="list-style-type: none"> ▪ City Legal Office 	
		4. Orientation of ABS Presidents to new format			
		5. Dissemination of Information of new format from ABC Presidents to Punong Barangays			
	1. Use of Geographical Information System	*See Steps (Computerization)	2014 *Check CITYNET-CBARAD Project Timetable	<ul style="list-style-type: none"> ▪ City Mayor ▪ SP ▪ CTO ▪ City Budget Office ▪ CPDO ▪ GIS Supplier Installer 	<ul style="list-style-type: none"> • Money/Budget
CITY HEALTH OFFICE	1. Friendly Inspection	1. Notify (Inspection of establishments)	<ul style="list-style-type: none"> • As per establishment • Case to case basis 	<ul style="list-style-type: none"> ▪ Sanitation Inspector ▪ CHO 	<ul style="list-style-type: none"> • Uniform • I.D. • Mission Order • Checklist forms
		2. Flow chart BPLO to CHO <ul style="list-style-type: none"> • Notification of Sanitation Inspector assigned • Inspection - Checklist • Health Card • Sanitary Permit 	<ul style="list-style-type: none"> • Quarterly • Twice Yearly • Annually 		<ul style="list-style-type: none"> • Photocopier • Computer • Printer • Vehicle • Transportation allowance • Camera • Inspection Fee

Agency	Proposed Reform/s	Steps/Activities	Time Frame	Responsible Person / Office	Resources Needed
BUSINESS PERMITS AND LICENSING OFFICE	1. Integrated computerized database system	1. Propose to the Mayor	• First week of April	▪ CIP-TWG	
		2. Systems development	• April – July 2013	▪ I.T. Office	• Programmers PhP100,000.00
		3. Procurement of computer units and network hardwares	• Aug – Oct 2013 (Subject to availability of funds)	▪ BPLO	• Computer units and hardwares PhP100,000.00
		2. Installation of network connection	• November 2013	▪ I.T. Office	
		3. Training of personnel who will maintain and update the database	• After installation	▪ I.T. Office ▪ Personnel of CHO, BFP and BPLO	• Venue • Meals • Trainer • Supplies
		4. Encoding			
	1. An ordinance imposing penalties to business owners who failed to secure a Mayor's Permit during a specified deadline	1. Propose to SP for the passage of the Ordinance	• First week of April	▪ BPLO	
CITY TREASURER'S OFFICE	1. Information Education Campaign	1. Tax Forum	• Once a year (August 2013)	▪ CTO	• PhP50,000.00 ±
		2. Develop materials for multi-media advertisements	• 3 rd Quarter 2013	▪ ICTIPB ▪ CMO ▪ CTO ▪ BPLO ▪ PIO	• PhP50,000.00 ± (in the city's radio and television slot)
		3. Every opportunity (e.g. DTI Roadshow)	• TBA	▪ All Departments (BPLO, Zoning, CTO, CHO, CTDO)	
	2.E.O. for Post Inspection	1. Focused Group Discussion (Preparation and approval of concerned	• 3 rd Quarter 2013	▪ All concerned departments / heads	

Agency	Proposed Reform/s	Steps/Activities	Time Frame	Responsible Person / Office	Resources Needed
		departments)			
BUREAU OF FIRE PROTECTION	1. Drafting of Inspection Manual	1. Propose to Head (CHO, BFP)	• End of March 2013	▪ CIP-TWG	
		2. Create/organize group (TWG / Task Force) in charge of crafting	• April 1-15, 2013	▪ CHO, BFP	
		3. Writeshop to draft Manual (CHO, BFP)	• April 15 – May 15, 2013	▪ TWG/Task Force (CHO, BFP)	• w/s meals • supplies • facilitator
		4. Present draft for approval	• May 16-23, 2013	▪ TWG/Task Force (CHO, BFP)	
		5. Training (Inspectors)	• May 26-30, 2013 (1 day)	▪ TWG/Task Force (CHO, BFP)	
		6. Implementation	• June 2013	▪ TWG/Task Force (CHO, BFP)	
	2. Risk-Based / Expiry-Based Inspection	1. Classify businesses according to: a. Expiration b. Risk categorization (updated database)	• March 15 – Apr 12, 2013	▪ CHO ▪ BFP	• CHO • BFP (FSIC, FSES, CFM)
	a. High Risk	2. Prioritization of businesses to be inspected (1 st – 3 rd priority) schedule of inspection			
	• Depot, LPG, Gas Stations • New Applications • Expired FSIC • Malls, High-rise buildings, Disco houses, Movie houses, Auditorium	3. Conduct inspection	• April 16 onward (BFP – less than 1 day)		• Additional inspection vehicles • Additional personnel
	• Boarding houses, hotels	4. Issue FSIC			• Additional computers • Additional personnel
	b. Low Risk				
	• Tenants, Kiosks, Sari-Sari Stores				

ANNEX 2. REVISED INSPECTION ACTION PLAN – ILOILO CITY, SEPTEMBER 2013

Considering the recommendation of INVEST in July 2013, Iloilo City has committed to implement inspection reforms as shown below:

RECOMMENDATIONS	INTERVENTIONS	REQUIREMENTS
Streamlining Procedures		
Addressing steps that cause significant delay (e.g. Locational (Zoning) & CTO Clearances and Inspection processes for new applicants)	Post (joint) inspection of Zoning, CTO, BFP thru issuance of temporary permit	Buy in BFP, Zoning, CTO Signed EO
Set-up a business-friendly inspection system that follows the guidelines provided by DILG.	Detailed plan/EO with guidelines similar to the proposed MC on inspection (JIT, checklist, schedule, service quality standards)	Buy in BFP, Zoning, CTO, CHO Signed EO
Automation		
1. Electronically link offices involved in business permitting and inspections – BPLO, CTO, OBO, CHO and BFP	Linking/sharing of database c/o IT	Server Buy in BFP, Zoning, CTO, CHO, OBO Signed EO
2. Automate the inspection and construction-related permits, e.g. Building and occupancy	Explore ways to automate the inspection and construction-related permits, e.g. Building and occupancy	Study further
3. Tap online venues for info drives	Explore ways re: online info drives	Study further
Client-centric Services		
Implement joint inspection teams from CPDO, CTO and other offices to avoid multiple visits to business applicants	Organization, guidelines to fully implement JIT	EO

Based on the BPLS Action Plan presented to the mayor last September 9 and 11, 2013, the revised inspection action plan is shown below:

ACTIVITY/TASK	SCHEDULE	PERSONS RESPONSIBLE
Draft and Present Proposed BPLS Plan (Including Inspection Action Plan)	September 9	LEIPO/Oversight Com
Present initial plan to Mayor	September 11	LEIPO/Oversight Com/BPLSTWG
Draft EO/ guidelines inspection reforms (Joint Inspection Team)	September 13	-CPDO -BPLO
Finalize detailed business friendly inspection reform plan, Preparation of checklist, composition and schedules of JIT	September 18	- LEIPO/BPLS TWG
Present EOs to the Mayor for approval	September 19	
Re-echo (departments/units)	September 20	- Department/Unit heads
Pre-test inspection reform	September 23-24	- JIT/LEIPO
Assessment of Pre-test	September 24	-TWG
Start implementation	Upon signing of EO	-TWG